



FOR IMMEDIATE RELEASE

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## MEDIA RELEASE

# MAYOR SIGNS SAFEGUARD PLAN PROTECTING WATER AND WASTEWATER RATEPAYERS

## INDEPENDENT RATES OVERSIGHT COMMITTEE NOW CHARGED WITH MONITORING AND AUDITS OF COUNCIL-APPROVED RATE PACKAGE

### NEW ORDINANCE PLACES COUNCIL-APPROVED PLAN INTO LAW

Mayor Jerry Sanders today signed the Council-approved Ordinance establishing the new Independent Rates Oversight Committee (IROC) for water and wastewater rates. The Mayor's action formalizes the central feature of the package of safeguards he proposed in advance of the Council's recent adoption of a new rate schedule for the City's water and wastewater systems.

With today's signing, the City's Municipal Code will be amended to replace the City's existing Public Utilities Advisory Commission with the IROC. The amendments will empower the new Committee to review and analyze finances and efficiency measures in both systems. The IROC's primary responsibilities will be to:

- Assist in the selection and retention of the independent firm(s) to conduct the annual **financial and performance audits** of the water and wastewater systems,
- Review reports from staff and the independent audit organizations on **rate and bond proceed expenditures**,
- Review **independent performance audits** of the water and wastewater systems, and
- Provide advice on the **efficiency and performance** of both systems,
- Oversee savings efforts and deposits to the "**Dedicated Reserve from Efficiency and Savings**" fund established as part of the Mayor's ratepayer safeguard plan.

“This is a significant milestone in our effort to bring greater openness and accountability to City government. The new Independent Rates Oversight Committee will help to ensure that ratepayer funds are being used for their intended purpose and that we’re getting the best services possible for our money.”

**Mayor Jerry Sanders**

### **RECRUITMENT PROCESS INCLUDES EXTENSIVE OUTREACH AND COUNCIL INPUT**

The new 11 member Committee will include ratepayer representatives and professional experts in the finance, accounting, legal and auditing industries. Members will be nominated by the Mayor and confirmed by the City Council. The IROC will meet every other month at a minimum and more often if deemed necessary by the chair of the Committee. It will replace the current Public Utilities Advisory Committee and will continue to conduct public meetings to gather input from ratepayers and other stakeholders interested in the City’s water and wastewater systems.

Applications for the new Committee are currently being solicited and accepted by the Mayor’s office. Ratepayers were provided information about the Committee and an application form in their most recent water billing notice. The Mayor has also posted the application form on the City’s website and will be accepting a first round of applications through May 7.

The City Council is also expected to refer candidates for the Mayor’s consideration. Each of the applications will be reviewed for consistency with the Committee’s membership requirements. All applicants will also be reviewed by the City Attorney’s office for eligibility to serve on the Committee. The Mayor will provide a final slate of nominees for consideration by the City Council in late May.

### **INDEPENDENT RATES OVERSIGHT COMMITTEE MEMBERSHIP CATEGORIES:**

Each candidate for appointment to the IROC is expected to possess substantial experience and/or be a member of the classes and professions listed below. A good faith effort will be made to maintain a diverse committee with membership including as many of the following categories and ratepayer classes at any one time.

|   |                           |
|---|---------------------------|
| Single Family Residential Ratepayer         | Finance/Municipal Finance |
| Multi-Family Residential Ratepayer          | Legal                     |
| Commercial/Industrial Ratepayer             | Construction Management   |
| Temporary Irrigation/Construction Ratepayer | Engineering               |
| Auditing/Accounting                         | Environmental             |
| Science                                     |                           |

### **COMMITTEE ADDRESSES COMMUNITY CONCERNS**

The Mayor's ratepayer safeguard plan was crafted following an extensive series of community input sessions conducted in advance of the Council's consideration of new rates for the water and wastewater systems. Those sessions revealed a strong interest in building an independent process for protecting ratepayer funds and bond proceed expenditures into the future. The Mayor addressed those concerns with his safeguard plan and the oversight roles assigned to the IROC.

Representatives from the San Diego County Taxpayers Association and San Diego Regional Chamber of Commerce joined the Mayor as he signed the IROC ordinance into law. Both organizations played an important role in the formation of the Mayor's safeguard plan.

"The input and critical advice I received from community groups, ratepayer advocates and business organizations like these made my safeguard plan stronger. I value and appreciate the assistance these groups continue to offer the City on this critical issue."

**Mayor Jerry Sanders**